2021 YEAR-END REBALANCE:
Selling Equities ... But Should You Buy More Bonds?

The performance of U.S. equities and bonds diverged widely in 2021: The S&P 500 has risen 16% year-to-date as of Sept. 30 compared to a 1.6% decline in the Bloomberg U.S. Aggregate Bond Index.

Without any rebalancing, this double-digit difference means that a portfolio's stock and bond mix is bound to look different by year's end from its allocation at the start of 2021.

For example, a portfolio targeting 60% stocks and 40% bonds on Jan. 1, 2021 would have deviated from its target, to close Q3 at 64% stocks and 36% bonds.

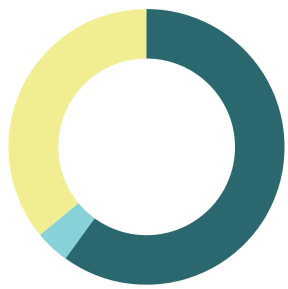
To rebalance, the typical inclination of advisors is to sell equities and buy more bonds. But such actions can be problematic in today's market.

In the short term, investors may be fearful of being overweight equities due to both stretched valuations and a feeling that another decline is around the corner given the length of time that has passed since the last meaningful pullback.

But they also might be unwilling to pare back too much on equities given the performance of bonds.

Many advisors today actually are more concerned about the negative long-term outlook for bonds due to ultra-low yields and the risk of rising interest rates.

2021: CURRENT STATE OF THE 60/40



Equities	60%
Excess Equities	4%
Bonds	36%

For Illustrative Purposes Only.

A POTENTIAL SOLUTION IS THE ADDITION OF INNOVATOR DEFINED OUTCOME ETFS™ TO A PORTFOLIO. *These ETFs seek to offer downside buffers or accelerated gains in exchange for capped upsides in quarterly or annual outcome periods – all with the flexibility, transparency, and tax- and cost-efficiency of an ETF.*

Below are three ways investors can incorporate **Innovator Defined Outcome ETFs™** as they think about a year-end portfolio rebalance.

1. STAY INVESTED IN EQUITIES + POTENTIAL FOR REDUCED PORTFOLIO VOLATILITY + MITIGATE INTEREST RATE RISK

SUGGESTED ALLOCATION

50% Equities, 20% Buffer ETFs, 30% Bonds

SERIES

Innovator U.S. Equity Power Buffer ETF™ – January (PJAN)

Innovator U.S. Equity Ultra Buffer ETF™ – January (UJAN)

Innovator Buffer ETFs™ offer investors a risk profile between that of equities and bonds due to an upside cap on potential gains but with built-in buffers against losses. PJAN and UJAN are scheduled to rebalance on Dec. 31, 2021 and provide fresh upside caps with downside buffers of 15% or 30%.

Check out the **Personal Outcome Analyzer™** tool to see why PJAN and UJAN can be implemented today as a replacement for excess equity exposure.

2. STRIKE A MORE DEFENSIVE POSTURE + SEEK TO REDUCE EQUITY RISK + MITIGATE INTEREST RATE RISK

SUGGESTED ALLOCATION

60% Equities, 30% Bonds, 10% BALT

SERIES

Innovator Defined Wealth Shield ETF™ (BALT)

Investors could consider BALT if they are seeking to maintain a more defensive posture but favor equities over bonds. Stocks historically offer greater upside potential as a reward for taking greater risks. The ETF targets a 20% downside buffer on U.S. equities and has a current cap of 1%, which resets at the end of the quarterly outcome period.

3. MAINTAIN EQUITY RISK + PREPARE FOR LOWER FUTURE RETURNS

SUGGESTED ALLOCATION

50% Equities, 36% Bonds, 14% Accelerated Plus ETFs

SERIES

Innovator U.S. Equity Accelerated Plus ETF™ – October (XTOC)

Innovator Growth Accelerated Plus ETF™ – October (QTOC)

Investors concerned about lower future returns from the U.S. equity market and the technology sector — given that the last decade averaged a robust 16.6% and 22.6% per year, respectively — could consider XTOC and QTOC. These ETFs seek to provide 3x the upside of SPY and QQQ, up to caps of 16.47% and 19.8%, respectively, set on the first day of the 1-year outcome period, with only 1:1 downside exposure.

The Funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. For more information regarding whether an investment in the Fund is right for you, please see "Investor Suitability" in the prospectus.

Investing involves risks. Loss of principal is possible. The Funds face numerous market trading risks, including active markets risk, authorized participation concentration risk, buffered loss risk, cap change risk, capped upside return risk, correlation risk, liquidity risk, management risk, market maker risk, market risk, non-diversification risk, operation risk, options risk, trading issues risk, upside participation risk and valuation risk. For a detail list of fund risks see the prospectus.

FLEX Options Risk. The Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation (OCC). In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses. Additionally, FLEX Options may be less liquid than standard options. In a less liquid market for the FLEX Options, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. The values of FLEX Options do not increase or decrease at the same rate as the reference asset and may vary due to factors other than the price of reference asset.

These Funds are designed to provide point-to-point exposure to the price return of the reference asset via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the reference asset during the interim period.

Investors purchasing shares after an outcome period has begun may experience very different results than funds' investment objective. Initial outcome periods are approximately 1-year beginning on the funds' inception date. Following the initial outcome period, each subsequent outcome period will begin on the first day of the month the fund was incepted. After the conclusion of an outcome period, another will begin.

Fund shareholders are subject to an upside return cap (the "Cap") that represents the maximum percentage return an investor can achieve from an investment in the funds' for the Outcome Period, before fees and expenses. If the Outcome Period has begun and the Fund has increased in value to a level near to the Cap, an investor purchasing at that price has little or no ability to achieve gains but remains vulnerable to downside risks. Additionally, the Cap may rise or fall from one Outcome Period to the next. The Cap, and the Fund's position relative to it, should be considered before investing in the Fund. The Funds' website, www.Innovatoretfs.com, provides important Fund information as well information relating to the potential outcomes of an investment in a Fund on a daily basis.

The Funds only seek to provide shareholders that hold shares for the entire Outcome Period with their respective buffer level against reference asset losses during the Outcome Period. You will bear all reference asset losses exceeding 9, 15, or 30%. Depending upon market conditions at the time of purchase, a shareholder that purchases shares after the Outcome Period has begun may also lose their entire investment. For instance, if the Outcome Period has begun and the Fund has decreased in value beyond the pre-determined buffer, an investor purchasing shares at that price may not benefit from the buffer. Similarly, if the Outcome Period has begun and the Fund has increased in value, an investor purchasing shares at that price may not benefit from the buffer until the Fund's value has decreased to its value at the commencement of the Outcome Period.

The Funds' investment objectives, risks, charges and expenses should be considered before investing. The prospectus contains this and other important information, and it may be obtained at Innovatoretfs.com. Read it carefully before investing.

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